

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE COMMISSION**  
**AND**  
**FREDERICK RAYMOND BRADY**  
**AND**  
**BRADY PROPERTIES, LLC**

Frederick Raymond Brady (Brady), Brady Properties LLC (Brady Properties) and the Missouri Real Estate Commission (MREC) enter into this Settlement Agreement for the purpose of resolving the question of whether Brady's license as a real estate broker associate, no. 2009037912, and Brady Properties' license as a real estate broker association, no. 2009037900, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,<sup>1</sup> the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREC under § 621.110, RSMo Supp. 2012. The MREC, Brady and Brady Properties jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2012.

Brady and Brady Properties acknowledge that they understand the various rights and privileges afforded them by law, including the right to a hearing of the charges against them; the right to appear and be represented by legal counsel; the right to have all charges proven upon the record by competent and substantial evidence; the right to

---

<sup>1</sup> All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

cross-examine any witnesses appearing against them at the hearing; the right to present evidence on his behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the charges pending against them; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREC at which time Brady and Brady Properties may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREC.

Being aware of these rights provided to them by law, Brady and Brady Properties knowingly and voluntarily waive each and every one of these rights and freely enter into this Settlement Agreement and agree to abide by the terms of this document as they pertain to them.

Brady and Brady Properties acknowledge that they have received a copy of documents that were the basis upon which the MREC determined there was cause for discipline, along with citations to law and/or regulations the MREC believes were violated. Brady and Brady Properties stipulate that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREC that Brady's license as a real estate broker associate, license no. 2009037912, and Brady Properties' license as a real estate broker association, no. 2009037900, is subject to disciplinary action by the

MREC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.010 through 339.205 and §§ 339.710 through 339.855, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREC, Brady, and Brady Properties in Part II herein is based only on the agreement set out in Part I herein. Brady and Brady Properties understand that the MREC may take further disciplinary action against them based on facts or conduct not specifically mentioned in this document that are either now known to the MREC or may be discovered.

**I.**  
**Joint Stipulation of Facts and Conclusions of Law**

Based upon the foregoing, the MREC, Brady, and Brady Properties herein jointly stipulate to the following:

1. The MREC is an agency of the State of Missouri created and existing pursuant to §339.120, RSMo Supp. 2012, for the purpose of executing and enforcing the provisions of §§ 339.010 to 339.180 and §§ 339.710 to 339.860, RSMo (as amended), relating to real estate salespersons and brokers.
2. Brady is licensed by the MREC as a real estate broker associate, license no. 2009037912. At all times relevant herein, Brady's real estate license was current and active.
3. Brady Properties is licensed by the MREC as a real estate association, license no. 2009037900. Brady has been the designated broker of Brady Properties from

its inception on December 10, 2009. At all times relevant herein, Brady Properties' real estate association license was current and active.

4. Brady was the designated broker of Watson and Associates from July 6, 2004 until January 5, 2010, at which time David Holbrook became the designated broker of Watson and Associates.

5. Brady served as the designated broker of both companies from December 10, 2009 through January 5, 2010 at which time Brady was the designated broker for only Brady Properties.

6. Brady, through Brady Properties, doing business as Sunrise Real Estate, solicited property owners who were already under an exclusive agreement with Watson and Associates to transfer their listings to Brady Properties, in violation of § 339.151.2, RSMo Supp. 2011, which states:

2. It shall be a violation of this section to:

(1) Solicit or request compensation or other valuable consideration from a real estate licensee without reasonable cause;

(2) Interfere with a written representation relationship of another licensee or attempt to induce a customer or client to break a written representation agreement with another licensee for the purpose of replacing such agreement with a new representation agreement in order to obtain a commission or other valuable consideration. Interfering with the written representation agreement of another licensee includes, but is not limited to:

...

(b) Counseling a customer or client of another real estate licensee on how to terminate or amend an existing relationship agreement in order to obtain a commission or other valuable consideration.

7. For a transaction conducted through Watson and Associates, Brady and Brady Properties, without entering into a written agreement granting him permission to do so, had a check made payable to Watson and Associates reissued and then deposited the check into an account for Brady Properties.

8. Section 339.105, regarding the management of escrow accounts, states:

1. Each broker who holds funds belonging to another shall maintain such funds in a separate bank account in a financial institution which shall be designated an escrow or trust account. This requirement includes funds in which he or she may have some future interest or claim. Such funds shall be deposited promptly unless all parties having an interest in the funds have agreed otherwise in writing. No broker shall commingle his or her personal funds or other funds in this account with the exception that a broker may deposit and keep a sum not to exceed one thousand dollars in the account from his or her personal funds, which sum shall be specifically identified and deposited to cover service charges related to the account.

...

3. In conjunction with each escrow or trust account a broker shall maintain books, records, contracts and other necessary documents so that the adequacy of said account may be determined at any time. The account and other records shall be provided to the commission and its duly authorized agents for inspection at all times during regular business hours at the broker's usual place of business

9. While the designated broker of Watson and Associates, Brady failed to maintain the funds received from clients in a separate escrow or trust account and failed to maintain adequate records of the escrow funds, in violation of § 339.105.1 and .3, RSMo Supp. 2012, as follows:

- a. The full amount of cash received from others was not deposited into the security deposit escrow account; and
- b. When audited, the escrow account's balance was inaccurate by a shortage of approximately \$48,000;

10. Based on the conduct and violations set forth herein, cause exists to discipline the real estate licenses of Brady and Brady Properties, under § 339.100.2(1), (3), (12), (13), (15), (16), and (19), RSMo Supp. 2012, which states:

2. The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621 against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

(1) Failure to maintain and deposit in a special account, separate and apart from his or her personal or other business accounts, all moneys belonging to others entrusted to him or her while acting as a real estate broker or as the temporary custodian of the funds of others, until the transaction involved is consummated or terminated, unless all parties having an interest in the funds have agreed otherwise in writing;

...

(3) Failing within a reasonable time to account for or to remit any moneys, valuable documents or other property, coming into his or her possession, which belongs to others;

...

(12) Accepting a commission or valuable consideration for the performance of any of the acts referred to in section 339.010 from any person except the broker with whom associated at the time the commission or valuable consideration was earned.

...

(15) Violation of, or attempting to violate, directly or indirectly, or assisting or enabling any person to violate, any provision of sections 339.010 to 339.180 and sections 339.710 to 339.860\*, or of any lawful rule adopted pursuant to sections 339.010 to 339.180 and sections 339.710 to 339.860\*;

(16) Committing any act which would otherwise be grounds for the commission to refuse to issue a license under section 339.040;

.....

(19) Any other conduct which constitutes untrustworthy, improper or fraudulent business dealings, demonstrates bad faith or incompetence, misconduct, or gross negligence[.]

## II.

### **Joint Agreed Disciplinary Order**

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREC in this matter under the authority of § 536.060, RSMo, and §§ 621.045.3 and 621.110, RSMo Supp. 2012.

11. **Brady's and Brady Properties' licenses are on probation.** Brady's and Brady Properties' licenses as a real estate broker associate and broker association,

respectively, are hereby placed on PROBATION for a period of TWO YEARS. The period of probation shall constitute the “disciplinary period.” During the disciplinary period, Brady and Brady Properties shall be entitled to practice as a real estate broker associate and broker association, respectively, under Chapter 339, RSMo, as amended, provided Brady and Brady Properties adhere to all the terms of this agreement.

12. **Terms and conditions of the disciplinary period.** The terms and conditions of the disciplinary period are as follows:

A. Brady and Brady Properties shall keep the MREC apprised at all times of their current addresses and telephone numbers at each place of residence and business. Brady and Brady Properties shall notify the MREC in writing within ten (10) days of any change in this information.

B. Brady and Brady Properties shall timely renew their real estate licenses, timely pay all fees required for license renewal and shall comply with all other requirements necessary to maintain their licenses in a current and active status. During the disciplinary period, Brady and Brady Properties shall not place their real estate licenses on inactive status as would otherwise be allowed under 20 CSR 2250-4.040. Alternatively, without violating the terms and conditions of this Settlement Agreement, Brady and Brady Properties may surrender



their real estate licenses by submitting a letter to the MREC and complying with 20 CSR 2250-8.155. If Brady and Brady Properties apply for a real estate license after surrender, Brady and Brady Properties shall be required to requalify as if an original applicant and the MREC will not be precluded from basing its decision, wholly or partially, on the findings of fact, conclusions of law, and discipline set forth in this Settlement Agreement.

C. Brady and Brady Properties shall meet in person with the MREC or its representative at any such time or place as required by the MREC or its designee upon notification from the MREC or its designee. Said meetings will be at the MREC's discretion and may occur periodically during the probation period.

D. Brady and Brady Properties shall immediately submit documents showing compliance with the requirements of this Settlement Agreement to the MREC when requested by the MREC or its designee.

E. During the probationary period, Brady and Brady Properties shall accept and comply with unannounced visits from the MREC's representative to monitor compliance with the terms and conditions of this Settlement Agreement.

F. Brady and Brady Properties shall comply with all relevant provisions of Chapter 339, RSMo, as amended, all rules and regulations duly promulgated thereunder, all local, state, and federal laws. "State" as used herein includes the State of Missouri and all other states and territories of the United States. Any cause to discipline Brady and Brady Properties' licenses as a real estate broker associate and broker association under § 339.532.2, RSMo, as amended, that accrues during the disciplinary period shall also constitute a violation of this Settlement Agreement.

13. Upon the expiration of the disciplinary period, Brady and Brady Properties' licenses shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREC determines that Brady and Brady Properties have violated any term or condition of this Settlement Agreement, the MREC may, in its discretion, after an evidentiary hearing, vacate and set aside the discipline imposed herein and may suspend, revoke or otherwise lawfully discipline Brady and Brady Properties' licenses.

14. No additional discipline shall be imposed by the MREC pursuant to the preceding paragraph of this Settlement Agreement without notice and opportunity for hearing before the MREC as a contested case in accordance with the provisions of Chapter 536, RSMo.

15. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning any future violations by Brady and Brady Properties of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

16. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Settlement Agreement that are either now known to the MREC or may be discovered.

17. If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the parties agree that the MREC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Brady and Brady Properties agree and stipulate that the MREC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

18. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

19. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or

terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

20. The parties to this Settlement Agreement understand that the MREC will maintain this Settlement Agreement as an open record of the MREC as required by Chapters 324, 339, and 610, RSMo, as amended.

21. Brady and Brady Properties, together with their partners, members, managers, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo (as amended), or any claim arising under 42 U.S.C. § 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

22. Brady and Brady Properties understand that they may, either at the time the Settlement Agreement is signed by all parties, or within fifteen days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining Brady and Brady Properties' licenses. If Brady and Brady Properties desire the Administrative Hearing Commission to review this Settlement Agreement, Brady and Brady Properties may submit their request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65102.

23. If Brady and Brady Properties request review, this Settlement Agreement shall become effective on the date the Administrative Hearing Commission issues its order finding that the Settlement Agreement sets forth cause for disciplining Brady and Brady Properties' licenses. If the Administrative Hearing Commission issues an order stating that the Settlement Agreement does not set forth cause for discipline, then the MREC may proceed to seek discipline against Brady and Brady Properties as allowed by law. If Brady and Brady Properties do not request review by the Administrative Hearing Commission, this Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREC.

Commission, this Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREC.

<p>LICENSEES</p> <p><u>Frederick R. Brady</u> <u>10-24-2013</u> Frederick R. Brady Date</p>	<p>MISSOURI REAL ESTATE COMMISSION</p> <p><u>Janet Carder</u> Janet Carder, Executive Director Date: <u>1-7-13</u></p>
<p>BRADY PROPERTIES LLC</p> <p>By: <u>Frederick R. Brady</u> <u>10-24-2013</u> Frederick R. Brady Date Managing Member</p> <p><u>Craig Lowther</u></p>	<p>CHRIS KOSTER Attorney General</p> <p><u>Ron Dreisilker</u> Ron Dreisilker Assistant Attorney General Missouri Bar No. 64825</p> <p>Supreme Court Building P.O. Box 899 Jefferson City, MO 65102 Telephone: 573-751-7728 Telefax: 573-751-5660</p> <p>Attorneys for the MREC</p>
<p>Craig Lowther Attorney for Respondent</p>	